

Note 25 - Income tax

The following is a specification of the difference between the accounting profit before tax, the year's tax base and the year's tax charge. Wealth tax is classified as other operating expenses in conformity with IAS 12.

Parent bank			Group	
2011	2012	(NOK million)	2012	2011
1,053	1,283	Result before tax	1,355	1,236
-189	-302	+/- permanent differences *	-255	-306
-26	-20	+/- Group contributions	-20	-26
-69	-75	+/- change in temporary differences as per specification	-14	-31
-	-	+ correction income to be brought forward	-27	28
-	-	+ deficit to be brought forward	-2	-34
770	886	Year's tax base/taxable income	1,036	867
215	248	Of which payable tax at 28 %	290	245
215	248	Payable tax in the balance sheet	290	245
-1	-6	(Excess)/short tax provision last year	-6	-1
215	242	Year' change in payable tax	284	244
215	248	Tax payable on profit for the year	290	245
19	21	+/- change in deferred tax	12	13
-1	-6	+/- too much/too little set aside for payable tax in previous years	-6	-4
1	-1	+ withholding tax	-1	1
235	262	Tax charge for the year	295	255
		Change in net deferred tax liability		
19	21	Deferred tax shown through profit/loss	12	13
-	22	Correction payable tax/deferred tax, previous years *	31	-
19	43	Total change in net deferred tax liability	43	13

* Due to changes in temporary differences between presented annual accounts and final tax assessment papers

Deferred tax in balance sheet		Composition of deferred tax carried in the balance sheet and deferred tax recognised in the income statement	Deferred tax in balance sheet	
2011	2012		2012	2011
-	-	Temporary differences:		
-	-	- Business assets	116	140
-	-	- Leasing items	120	171
42	21	- Pension liability	24	45
161	243	- Securities	243	161
445	617	- Hedge derivatives	617	445
-	-	- Other temporary differences	2	2
649	880	Total tax-increasing temporary differences	1,122	964
182	247	Deferred tax	315	270
		Temporary differences:		
-22	-15	- Business assets	-19	-26
-	-	- Pension liability	-6	-6
-26	-1	- Securities	-1	-26
-455	-567	- Hedge derivatives	-567	-455
-2	-	- Other temporary differences	-55	-63
-	-	- Deficit carried forward	-192	-257
-505	-583	Total tax-decreasing temporary differences	-840	-833
-141	-163	Deferred tax asset	-235	-233
40	83	Net	80	37

The above table comprises temporary differences from all consolidated companies shown gross. At the company level tax-increasing and tax-reducing temporary differences are shown net. At the group level recognition is on a gross basis in conformity with IAS 12 with each company being presented separately in the calculation of the Group's tax benefit and deferred tax:

			2012	2011
Tax benefit recorded 31.12			13	19
Deferred tax recorded 31.12			93	55
Recognised in income statement		Recognised in income statement		
2011	2012	Composition of deferred tax carried in the balance sheet and deferred tax recognised in the income statement	2012	2011
-	-	Temporary differences:		
-	-	- Business assets	-24	-17
-0	22	- Leasing items	-51	48
-41	-23	- Pension liability	-21	-3
-170	-172	- Securities	81	-41
-	-	- Hedge derivatives	172	-170
-	-	- Other temporary differences	-0	-
-212	-174	Total tax-increasing temporary differences	157	-184
-59	-49	Deferred tax	44	-52
		Temporary differences:		
9	-10	- Business assets	7	1
-	-	- Pension liability	0	-1
-3	-3	- Securities	25	-3
141	112	- Hedge derivatives	-112	141
-4	-	- Other temporary differences	8	-9
-	-	- Deficit carried forward	65	8
143	99	Total tax-decreasing temporary differences	-7	137
40	28	Deferred tax asset	-2	38
-19	-21	Net	42	13
2011	2012	Reconciliation of tax charge for the period recognised against profit and loss to profit before tax	2012	2011
296	359	28 % of profit before tax	379	346
-61	-90	Non-taxable profit and loss items (permanent differences) *	-77	-91
-	-	Recognised deferred tax previous years	-1	-1
1	-1	Withholding tax	-1	1
-1	-6	Too much/little tax provision previous years	-6	-1
235	262	Tax for the period recognised in the income statement	295	255
22 %	20 %	Effective tax rate	22 %	20 %

* Includes non-deductible costs and and deduction for profit share related to associates and joint ventures (profit shares are taken out having already been taxed at the respective companies).